

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2668-01
Bill No.: Perfected SB 847
Subject: Property, Real and Personal; State Tax Commission; Taxation and Revenue -
General ; Taxation and Revenue - Property
Type: Original
Date: March 31, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and the **Office of Administration, Division of Budget and Planning**, assume this proposal would have no impact on their organizations.

Officials from the **State Tax Commission** assume this proposal would have no impact on their organization; however, they assume the Jackson County Collector's Office will have to develop necessary procedures to process installment payments on real estate taxes.

Although they did not respond to our request for information, officials from the **Office of the Cole County Collector**, in response to a similar proposal, assumed the proposal would have no impact on their organization.

In response to a similar proposal in the previous session, officials from the **Kansas City Manager's Office** assumed the proposal would not reduce tax revenues, but receipt of some tax revenue would be delayed. Officials assume this would hinder the City's budgeting process.

ASSUMPTIONS (continued)

Officials from the **School District of Kansas City** stated that, if this proposal would not result in a net reduction of collections on an annual basis, the proposal would have no impact on their organization.

Officials from **Jackson County** did not respond to our request for information.

Oversight assumes this proposal would be implemented in December 2004 for 2004 taxes. Further, Oversight assumes that enactment of this proposal would result in an insignificant administrative cost to the Jackson County Collector's Office, and an insignificant loss of interest income to the taxing authorities in Jackson County from delayed tax payments.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would enable taxpayers with hardships to pay property taxes in installments:

- A. The county collector in any county with a charter form of government and with more than six hundred fifty thousand but less than six hundred sixty thousand inhabitants would be required to allow for the payment of all or any part of current and delinquent real property taxes, in equal monthly or quarterly installments over a period of time not greater than one year.
- B. Installment payments would be available for real property used as the owner's principal residence, or by all joint owners as their principal residence; and where the taxpayer is, at the time of application for installment payments, experiencing a hardship.
- C. For the purposes of this section, the term "hardship" includes owners who have been unemployed during the three-month period prior to the due date of the real property taxes; and taxpayer with Missouri adjusted gross income of less than fifteen thousand dollars for an individual or combined Missouri adjusted gross income less than twenty thousand dollars for joint owners.
- D. Delinquent taxes would bear interest at the rate provided by section 140.100, RSMo, and would be subject to the fees provided by law.
- E. A monthly or quarterly installment payment would not be deemed delinquent unless it is beyond thirty days past due.
- F. The county official charged with the duties of the collector would issue receipts for any installment payments.
- G. Installment payments made at any time during a tax year would not affect the taxpayer's right to protest the amount of such tax payments under applicable provisions of law.
- H. Installment payments would not apply to payment for real property taxes paid by financial institutions from escrow accounts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

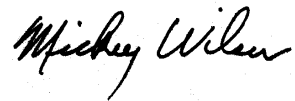
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SOURCES OF INFORMATION

Department of Revenue
Office of Administration
Division of Budget and Planning
State Tax Commission

NOT RESPONDING

**Office of the Cole County Collector
Jackson County**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 31, 2004